

## Message Text

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ACTION EA-13

INFO OCT-01 SS-14 ISO-00 NSC-10 NSCE-00 CIAE-00 INR-10

NSAE-00 RSC-01 L-02 PM-03 DODE-00 SPC-01 IO-03 EUR-10

NEA-06 AID-10 DPW-01 DRC-01 /086 W

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R 111012Z SEP 73

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC 6968

USDEL JEC PARIS

C O N F I D E N T I A L SECTION 1 OF 2 SAIGON 6221

LIMDIS

E.O. 11652: GDS

TAGS: ECON PGOV PINS PINR VS

SUBJ: MR 3 IN PERSPECTIVE

FOLG TEL SENT ACTION SAIGON CANTHO DANANG NHATRANG FM BIEN HOA 07 SEP

73

REPEATED FYINFO:

QUOTE

C O N F I D E N T I A L BIEN HOA SECTION 1 OF 2 0478

LIMDIS

E.O. 11652: GDS

TAGS: ECON, PGOV, PINS, PINR, VS

SUBJECT: MR 3 IN PERSPECTIVE

SUMMARY: SITUATION IN MR 3 NOT AS BLEAK AND UNCERTAIN AS SOME  
LOCAL CRITICS SEEM TO SUGGEST. CERTAINLY THERE ARE PROBLEMS AND  
PEOPLE ARE GENERALLY UNHAPPY OVER PRICE HIKES, BUT NOT TO EXTENT  
THAT THEY ARE ABOUT TO ABANDON GVN FOR MORE AUSTERE LIFE UNDER  
COMMUNISTS. MORALE OF TROOPS IS SURPRISINGLY HIGH; DESERTIONS  
ARE LOWER THAN PRE-CEASE-FIRE LEVELS; GVN FORCES ARE MORE THAN  
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HOLDING THEIR OWN IN ENCOUNTERS WITH COMMUNIST UNITS; AND THERE

IS A FEELING OF CONFIDENCE IN MILITARY CIRCLES THAT TROOPS WILL RISE TO OCCASION IF COMMUNISTS DECIDE TO LAUNCH OFFENSIVE. COMMUNIST ATTEMPTS TO INDUCE PEOPLE TO MOVE TO OCCUPIED AREAS HAS FLOPPED. SMALL NUMBER WHO HAVE FALLEN FOR PROMISE OF BETTER LIFE, AS WELL AS FACT COMMUNISTS HAD TO IMPORT PEOPLE FROM CAMBODIA AND NORTH VIET-NAM TO POPULATE OCCUPIED AREAS, SHOWS HOW BADLY COMMUNISTS HAVE FAILED TO SELL THEIR WAY OF LIFE TO SIMPLE VIETNAMESE VILLAGER. RESULTS OF UPPER HOUSE ELECTION, THOUGH NOT DEMONSTRABLE BY THEMSELVES, DO REFLECT NEVERTHELESS EXTENT TO WHICH GVN IS IN CONTROL OF POLITICAL ARENA. MR 3 IS NOW IN WHAT ONE COULD CALL NO-WAR-NO-PEACE STAGE. CERTAINLY THIS IS TRUE IF ONE COMPARES CURRENT LEVEL OF FIGHTING, WHICH IS LOWEST SINCE CEASE-FIRE PERIOD BEGAN, WITH, SAY, APRIL, MAY AND JUNE OF LAST YEAR. WHAT THE FUTURE WILL BRING IS DEPENDENT UPON WHAT THE COMMUNISTS ELECT TO DO IN THE NEXT 6-12 MONTHS. IF IT IS PEACE, THE VIETNAMESE IN MR 3 WILL WELCOME IT. IF IT IS A RESUMPTION OF HOSTILITIES REMINISCENT OF THE 1972 OFFENSIVE, THE VIETNAMESE, THOUGH IT MIGHT TAKE A BIT LONGER TO CONTAIN IF EXTERNAL FORCES AND MATERIEL ARE INTRODUCED, WILL EVENTUALLY SUCCEED IN RETAINING CONTROL OF POPULATION. CORRUPTION CONTINUES TO LOOM ON HORIZON AS HANDICAP FOR GVN IN CONTEST WITH COMMUNISTS FOR HEARTS AND MINDS OF PEOPLE. CORRUPTION ITSELF WILL NOT BE DECIDING FACTOR, HOWEVER, BUT FAILURE TO ATTACK IT MIGHT REDOUND ADVERSELY ON PRESIDENT

THIEU AND THOSE AROUND HIM IF HIS DEEDS FAIL TO MATCH HIS PUBLIC COMMITMENT TO TACKLE CORRUPTION. END SUMMARY.

1. QUESTION UPPERMOST IN MINDS OF MANY OBSERVERS OF VIETNAMESE SCENE CONCERNS EXTENT TO WHICH GVN IS CAPABLE OF SURVIVING OVER LONG HAUL. SOME BELIEVE GVN WILL BE HARD PUT TO HANDLE COMMUNISTS NOW THAT AMERICAN AND OTHER ALLIED MILITARY SUPPORT IS NO LONGER AVAILABLE. OTHERS, NOTABLY SMALL GROUP WHO PURPORT TO BE NEUTRAL OBSERVERS OF EVENTS, HAVE ALREADY ADMINISTERED LAST RITES. LOCAL CRITICS, THOSE WHO ARE OUTSIDE MAINSTREAM BUT EAGER TO GET INSIDE, SUGGEST THAT IT IS ONLY A MATTER OF TIME BEFORE COMMUNISTS WILL BE IN A POSITION TO MOVE IN AND TAKE OVER REINS OF GOVERNMENT. THIS LAST GROUP OFFERS AS JUSTIFICATION FOR THEIR POSITION ECONOMIC PROBLEMS, WHICH THEY CLAIM ARE DRIVING PEOPLE TO DESPAIR; CORRUPTION, WHICH THEY SAY ABOUNDS FROM PALACE TO HAMLET LEVEL; LACKLUSTER PERFORMAMCE OF ARVN TROOPS, WHICH THEY SAY STEMS FROM LOW MORALE AND POOR LEADERSHIP; AND EROSION OF SOCIAL FABRIC, FOR CONFIDENTIAL

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WHICH SOME OF THE BLAME IS DIRECTED AT AMERICANS.

2. I CANNOT AGREE WITH THESE SOOTHSAYERS OF THE GVN CATACLYSM, NOR DOES AN OBJECTIVE AND BALANCED READING OF THE SCENE. CERTAINLY, THE GVN IS FACED WITH PROBLEMS, SERIOUS ONES, AND A GREAT MANY PEOPLE ARE DISGRUNTLED OVER RECENT PRICE HIKES. BUT THIS DOES NOT MEAN THAT THE PEOPLE OF THIS MILITARY REGION ARE READY TO THROW IN THE TOWEL AND LET THE COMMUNISTS TAKE OVER BY DEFAULT.

3. WHAT ONE SEES IN MR 3 IS INDEED PROMISING FOR THE FUTURE. ONE CAN TRAVEL THE LENGTH AND BREADTH OF MR 3 AND DISCERN PROGRESS. PERMANENT STRUCTURES, RESIDENTIAL AS WELL AS BUSINESS, ARE UNDER CONSTRUCTION; MORE CHILDREN ARE GOING TO SCHOOL, THOUGH THERE IS A SHORTAGE OF CLASSROOMS AND QUALIFIED TEACHERS TO ACCOMMODATE THE POTENTIAL; MORE PEOPLE OWN LAND AND MORE IS BEING PUT UNDER CULTIVATION; AND ONE HAS TO DIG DEEP TO FIND POVERTY AS SUCH. ADMITTEDLY, THE AVERAGE VILLAGER IS NOT LIVING A LIFE OF LUXURY, BUT HE IS CERTAINLY NOT A BREAD LINE STATISTIC. THE ECONOMY OF THIS REGION, ITS SHORTCOMINGS NOTWITHSTANDING, IS IN MUCH BETTER SHAPE THAN WHAT THE OTHER SIDE HAS TO OFFER; THUS THE COMMUNIST SYSTEM HOLDS NO ATTRACTION FOR THE PEOPLE OF THIS REGION.

4. ECONOMIC DIFFICULTIES CURRENTLY BESETTING VIET-NAM ARE THE CONSEQUENCES OF PROLONGED WARTIME CONDITIONS AGGRAVATED BY ADJUSTMENT PAINS CAUSED TO A LARGE DEGREE BY WITHDRAWAL OF U.S. FORCES. WHEN ONE JUDGES PERFORMANCE IN THIS AREA ONE MUST REMEMBER THAT THIS COUNTRY HAS BEEN AT WAR FOR MORE THAN TWO DECADES AND IS STILL FIGHTING FOR SURVIVAL AGAINST WHAT, AT TIMES, APPEARS TO

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NSAE-00 RSC-01 L-02 PM-03 DODE-00 SPC-01 IO-03 EUR-10

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FM AMEMBASSY SAIGON  
TO SECSTATE WASHDC 6969  
USDEL JEC PARIS

C O N F I D E N T I A L SECTION 2 OF 2 SAIGON 6221

LIMDIS

7. CAN ARVN HACK IT? DESPITE ATTEMPTS OF SOME TO DOWNGRADE PERFORMANCE OF ARVN, ITS ACCOMPLISHMENTS SINCE DEPARTURE OF ALLIED FORCES HAVE VERY DEFINITELY DEMONSTRATED A DETERMINED WILL TO PROTECT BOTH PEOPLE AND REAL ESTATE UNDER GVN CONTROL. COMMUNIST LAND-GRAB OFFENSIVE OF LAST OCTOBER, DURING WHICH COMMUNISTS EITHER CONTROLLED OR CONTESTED MORE THAN 100 HAMLETS, FAILED BECAUSE VAST MAJORITY OF ARVN AND TERRITORIAL FORCES FOUGHT WITH TENACITY UNTIL HAMLETS WERE BACK IN HANDS OF GVN. IDENTICAL FIGHTING SPIRIT WAS DEMONSTRATED DURING PERIOD JUST PRIOR TO CEASE-FIRE I WHEN COMMUNISTS TRIED TO ENHANCE REAL ESTATE HOLDINGS

IN SEVERAL KEY PROVINCES. IT TOOK ONLY EIGHT DAYS TO DRIVE COMMUNISTS OUT OF ABOUT 150 HAMLETS IN TAY NINH, BINH DUONG, PHUOC TUY, BINH TUY AND BIEN HOA PROVINCES. WHAT HAS BEEN HAPPENING IN MR 3 SINCE ONSET OF CEASE-FIRE II EXEMPLIFIES DETERMINATION OF GVN FORCES NOT TO CEDE SINGLE INCH OF NEW TERRITORY TO COMMUNISTS.

8. THERE HAVE BEEN ISOLATED ACTS OF COWARDICE, ENDEMIC TO ALL WARS, WHEN SOLDIERS RAN IN WAKE OF COMMUNIST ATTACK. TO USE THESE TO JUDGE PERFORMAMCE OF FIGHTING FORCE IS UNFAIR, HOWEVER. LIKEWISE TO REFER TO LOW MORALE IN CATEGORICAL TERMS. CERTAINLY, THERE ARE UNITS WHOSE MEMBERS ARE TIRED AND FRUSTRATED, WONDERING ABOUT WHY THEY ARE NOT AT HOME WITH THEIR FAMILIES, THOUGH TWO SEPARATE PEACE ACCORDS HAVE BEEN SIGNED AND THEIR GOVERNMENT  
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DESCRIBES THEM AS VICTORIES.

9. ON OTHER SIDE OF COIN, WHICH MANY OBSERVERS CONVENIENTLY IGNORE, IS MORALE OF COMMUNIST SOLDIER. INTELLIGENCE SHOWS THAT COMMUNISTS ARE SUFFERING MUCH MORE THAN GVN IN THIS REGARD. COMMUNIST PROPAGANDISTS, TOO, ARE HAILING PEACE ACCORDS AS VICTORIES FOR THEIR SIDE. ONE WONDERS HOW COMMUNIST SOLDIER WHO IS REQUIRED TO LIVE IN JUNGLE ENVIRONMENT, VENTURING OUT FOR OCCASIONAL CONGRATATION WITH GVN FORCES, REACTS TO THAT KIND OF PROPAGANDA WHEN HE IS WANTING FOR FOOD AND IS NOT YET ON HIS WAY HOME. THE INCREASING NUMBER OF RALLIERS TO GVN SIDE IN PAST FEW WEEKS EVINCES IN UNMISTAKABLY CLEAR TERMS THAT THERE IS A DETERIORATION OF MORALE WITHIN COMMUNISTS UNITS.

10. ONE OF BEST INDICATORS TO MEASURE MORALE IS RATE OF DESERTIONS. THIS MATTER HAS ALWAYS BEEN MISUNDERSTOOD IN VIET-NAM BECAUSE VAST MAJORITY OF THOSE WHO ARE RECORDED AS DESERTERS OFTEN TIMES TAKE TIME OFF TO VISIT FAMILIES OR HELP WITH HARVEST OR OTHER IMPERATIVE CHORES. MOREOVER, GVN DECISION TO COUNT THOSE ABSENT FOR MORE THAN 72 HOURS (OLD POLICY 14 DAYS) AUTOMATICALLY INCREASES NUMBER. EVEN WITH THIS CHANGE IN POLICY, DESERTION RATES FROM JANUARY THROUGH JUNE DROPPED APPRECIABLY, WHICH ARE AS FOLLOWS:

	ARVN	RF	PF
JANUARY	1,396	546	103
FEBRUARY	1,706	1,264	301
MARCH	1,059	764	209
APRIL	831	622	165
MAY	938	793	181
JUNE	700	537	120

11. A COMPARISON OF THE ABOVE WITH STATISTICS BELOW FOR OCTOBER, NOVEMBER AND DECEMBER OF LAST YEAR PRODUCES A MUCH BETTER PICTURE:

	ARVN	RF	PF
OCTOBER	2,705	747	162
NOVEMBER	2,388	904	235
DECEMBER	2,301	851	209

12. WHAT WILL HAPPEN IN FUTURE BETWEEN COMMUNIST AND GVN FORCES IS TOTALLY DEPENDENT ON WHAT COMMUNISTS DECIDE TO DO IN NEXT

TWELVE MONTHS. DURING AUGUST, BOTH SIDES CONCENTRATED ON CONSOLIDATING THEIR MILITARY, ECONOMIC AND POLITICAL CONTROL OVER AREAS THEY HOLD. NEITHER SIDE ATTACKED THE OTHER'S BASE AREAS OR SERIOUSLY ATTEMPTED TO EXPAND ITS OWN CONTROL OVER ADDITIONAL REAL ESTATE OR PEOPLE. MOST SIGNIFICANT CLASHES  
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OCCURRED WHERE OPPOSING LINES OF COMMUNICATION INTERSECTED OR WHERE ONE SIDE SOUGHT TO ELIMINATE OTHER SIDE'S "LEOPARD SPOTS" IN ONE'S OWN AREA. WE FORESEE THIS CONTINUING THROUGH 1973 AND PERHAPS INTO EARLY MONTHS OF 1974. GVN MILITARY OFFICERS, INCLUDING MR 3 CG LTG NGUYEN VAN MINH, PREDICT COMMUNISTS WILL LAUNCH ANOTHER OFFENSIVE IN NEXT 12-18 MONTHS, NOT ON SAME SCALE AS 1972, HOWEVER. IF, AS WE BELIEVE, COMMUNISTS DISCOVER BY THAT TIME THAT POLITICAL-ECONOMIC STRUGGLE STRATEGY IS NOT YIELDING EXPECTED RESULTS, THEY WILL BE TEMPTED TO TRY LARGE-SCALE MILITARY OFFENSIVE TO FORCE COLLAPSE OF GVN. WE DO NOT BELIEVE COMMUNISTS WILL SUCCEED IF INDEED THEY DO DECIDE TO LAUNCH OFFENSIVE. MINH, HOWEVER, IS CONCERNED ABOUT COMMUNIST BUILD-UP, REPORTS OF MORE THAN 200 TANKS IN MR 3 AND INTRODUCTION OF SOPHISTICATED WEAPONS (122MM AND 130MM ARTILLERY PIECES) WHICH WERE NOT HERE IN 1972. HE IS ALSO WORRIED ABOUT POSSIBILITY OF QUICK STRIKE WHICH MAY THROW ARVN INTO DISARRAY. HE IS CONFIDENT NEVERTHELESS HIS FORCES, AIDED BY VNAF, WILL BE ABLE TO HANDLE WHATEVER COMMUNISTS ELECT TO THROW AT THEM, TIMING NOTWITHSTANDING.

13. IN SUM, COMMUNIST POLITICAL STRATEGY HAS BEEN LARGELY UNSUCCESSFUL; GVN FORCES HAVE MORE THAN HELD THEIR OWN IN CLASHES WITH ENEMY; GVN HAS LOST ONLY A HANDFUL OF PEOPLE IT CONTROLS TO OTHER SIDE, DESPITE COMMUNIST PROMISES OF BETTER LIFE IN OCCUPIED AREAS; IT IS MAINTAINING BETTER STANDARD OF LIVING IN AREAS UNDER ITS CONTROL, AND IT IS FIRMLY IN POLITICAL CONTROL OF ITS PEOPLE, AS EVIDENCED BY RECENT UPPER HOUSE ELECTION. THIS DOES NOT MEAN THAT COMMUNISTS WILL PICK UP MARBLES AND HEAD NORTH, NOR HAS THE GVN SUCCEEDED IN LANDING THE KNOCKOUT PUNCH. IT DOES MEAN THAT GVN HAS THE UPPER HAND AND THAT PROSPECTS FOR THE FUTURE APPEAR BRIGHT.

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## Message Attributes

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